

Metropolitan West Review For the Year Ending March 31, 2007

Services Currently Provided

Metropolitan West (MetWest) is currently providing securities lending services for the following asset categories:

- Domestic Equities

Portfolio Management Style

MetWest attempts to match term loans (liabilities) with individual securities (assets). This allows them to lock in the spread between the underlying term loans and the invested securities without assuming interest rate risk.

Reporting

MetWest's monthly reports are clear and easy to understand.

Staff continues to use a consolidated reporting package which standardized the information received from all agents.

Violations

There was a small policy violation for five days during the period under review.

Overall Comments

Met West has successfully met the objective of the program, which is to realize value from the lending of securities.